MCX, bullion body to study feasibility of spot gold exchange

OUR BUREAU

Mumbai, August 16

Multi Commodity Exchange has signed a memorandum of understanding with India Bullion and Jewellers Association to study the viability of jointly setting up a Bullion Spot Exchange.

This is in line with the government's vision to establish a trade-efficient and consumer-friendly system of regulated gold exchange for an efficient and transparent price discovery.



The gold spot xchange, once set up, will create a vibrant gold ecosystem corresponding to India's annual demand of about 800-900 tonnes. It will further lead to assurance in the quality of gold, provide for a robust settlement mechanism, multiple delivery centres, active retail participation, greater integration with financial markets and boost recycling, said the exchange in a statement on Thursday.

The entities will also undertake a series of initiatives such as organising joint seminars and awareness programmes on price risk management for bullion traders and jewellers across the country.

The awareness programmes will educate small and medium jewellers from unorganised markets on hedging tools such as gold futures and options.